

## Message Text

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60

ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 /110 W

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R 071051Z JUL 76

FM AMEMBARSY LAGOS

TO SECSTATE WASHDC 5765

INFO AMEMBASSY LONDON

LIMITED OFFICIAL USE LAGOS 7762

E.O. 11652: N/A

TAGS: EORG, NI

SUBJECT: NIGERIA OFFERS NEW CRUDE OIL PRICE

1. BEGIN UNCLASSIFIED. ON JULY 3 OIL PRODUCERS IN NIGERIA RECEIVED LETTER FROM NIGERIAN NATIONAL OIL COMPANY (NNOC) OFFERING TO SELL CRUDE IN THE THIRD QUARTER OF 1976 AT 13.01 DOLLARS PER BARREL. PRICE CONTRASTS WITH 12.75 DOLLARS SELLING PRICE (13.709 DOLLARS POSTED PRICE) FOR SECOND QUARTER. END UNCLASSIFIED.

2. BEGIN LIMITED OFFICIAL USE. DECISION ON PRICE FOLLOWED SERIES OF MEETING BETWEEN FMG'S OIL MARKETING COMMITTEE AND PRODUCERS. AT ONE TIME NIGERIANS WERE SUGGESTING 13.16 DOLLARS AS SELLING PRICE, BUT PRODUCERS THOUGHT PRICE SHOULD FALL BETWEEN 12.90-12.95. NO PRODUCER TO OUR KNOWLEDGE HAS YET AGREED TO PURCHASE FROM NNOC AT NEW, APPARENTLY COMPROMISE PRIME.

3. WHEN QUERIED INDIVIDUALLY BY EMBASSY, HOWEVER, PRODUCERS OPINED THAT 13.01 WILL PROBABLY TURN OUT TO BE A FAIR AVERAGE

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PRIME FOR THIRD QUARTER. WORLD MARKET DEMAND IS RISING COMMEN-

SURATELY. PRODUCERS ALSO ADMIT THAT NEW SELLING PRICE MEANS  
A 26 CENTS PER BARREL ADDITIONAL PROFIT FOR THEMSELVES, PROVIDED  
POSTED PRICE NOT RAISED. THUS HIGHLY PROBABLE THAT PRODUCERS  
WILL ACCEPT NNOC OFFIER.

4. U.S. OIL COMPANY EXECUTIVES HERE BELIEVE NEW PRICE MIGHT BE  
FMG'S WAY OF WIDENING COMPANIES' SKIMPY PROFIT MARGINS.  
PRODUCERS HAVE REPEATEDLY COMPLAINED TO FMG THAT NARROW PROFITS  
WERE DISCOURAGING INVESTMENT AND CAUSING AN EVENTUAL DECLINE  
IN CRUDE OIL OUTPUT. END LIMITED OFFICIAL USE.  
CROSBY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976LAGOS07762  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760262-0093  
**From:** LAGOS  
**Handling Restrictions:** n/a  
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**Office:** ACTION AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** coburnhl  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 MAY 2004 by BoyleJA>; APPROVED <08 SEP 2004 by coburnhl>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NIGERIA OFFERS NEW CRUDE OIL PRICE  
**TAGS:** ENRG, NI  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006